
FORT BEND
INDEPENDENT SCHOOL DISTRICT

AGREED UPON PROCEDURES RELATED TO THE
DISTRICT'S VOTER-APPROVAL TAX RATE ELECTION

Data for the Year Ended
June 30, 2022



CPAs and Professional Consultants

FORT BEND INDEPENDENT SCHOOL DISTRICT

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Trustees and Citizens
of Fort Bend Independent School District

We have performed the agreed-upon procedures enumerated below, which were agreed to by Fort Bend Independent School District (the "District"), solely for the purpose of reporting our findings regarding the results of the procedures as compared to the criteria set forth in the Legislative Budget Board (LBB) House Bill 3 Efficiency Audit Guidelines in relation to the District's peer districts.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the District. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion. Accordingly, we do not express an opinion or conclusion. Our report includes specific findings based on the procedures performed. Had we been engaged to perform additional procedures; other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of District management and the Board of Trustees and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Whitley Penn LLP".

Houston, Texas
October 2, 2023

To the Board of Trustees and Citizens of
Fort Bend Independent School District

SECTION I - EXECUTIVE SUMMARY

Overview of Procedures Performed

In conducting the agreed-upon procedures for the District, we gained an understanding of the District's fiscal management, efficiency and utilization of resources, and whether the District has implemented best practices utilized by Texas school districts. This was accomplished by analyzing data from the year ended June 30, 2022 and prior, maintained by the Texas Education Agency ("TEA") and the District. An overview of the objectives and approach performed during the agreed-upon procedures are provided in Section III of this report.

District data on accountability, students, staffing and finances, with peer districts and state comparisons are described in Section IV of this report.

SECTION II - KEY INFORMATION ABOUT THE DISTRICT

Fort Bend Independent School District (“the District”), is holding an election to increase the District’s maintenance and operations property tax rate in tax year 2023 (fiscal year 2024). Maintenance and Operations (M&O) taxes are for the operation of public schools. The District held a voter-approval tax ratification election in November 2022 that did not pass.

The M&O tax rate for fiscal years 2022 and 2023 were \$0.9201 and \$0.8646, respectively. The M&O tax rate will be further compressed for fiscal year 2024 to \$0.6792, which does not include any cents from a voter-approval tax rate election (VATRE) that passes. District administration proposed an M&O tax rate above the voter-approval tax rate that, when approved by the Board of Trustees on August 23, 2023, triggered a voter-approval tax rate election (“VATRE”). These procedures were to comply with State law and to provide full transparency to taxpayers.

Fiscal Year	Tax Year	Maintenance & Operations	Interest & Sinking	Total
2019	2018	\$1.0600	\$0.2600	\$1.3200
2020	2019	\$0.9900	\$0.2800	\$1.2700
2021	2020	\$0.9502	\$0.2900	\$1.2402
2022	2021	\$0.9201	\$0.2900	\$1.2101
2023	2022	\$0.8646	\$0.2700	\$1.1346
2024*	2023	\$0.6792	\$0.2700	\$0.9492
2024^	2023	\$0.7192	\$0.2700	\$0.9892

*Tax rate that does not include any VATRE cents.

^Tax rate that does include the \$0.04 VATRE cents.

The estimated revenue from the FY 2023-24 from the proposed \$0.04 cent increase in tax rate is \$35.2 million (\$21.9 million in local M&O revenue and \$13.3 million in additional state funds) and represents about 4.7 percent of the 2022-23 amended expenditure budget of \$756.1 million.

The average taxable value of a single-family residential property for tax year 2023 (fiscal year 2024) is \$ 370,630. The average tax bill, as a result of the proposed M&O tax rate increase, is \$2,677, or a \$108 increase compared to what the average resident would pay without an M&O tax rate increase.

If the District’s VATRE passes, the estimated savings in property taxes paid by the owner of a single-family residential property at the current average home value will be \$1,041 when compared property taxes paid in the previous year. If the District’s VATRE does not pass, the estimated savings in property taxes paid by the owner of a single-family residential property at the current average home value will be \$1,145 when compared property taxes paid in the previous year.

Proceeds from a VATRE that passes will be utilized to increase pay to recruit and retain teachers and staff and to fund a state safety mandate for additional security personnel.

The District engaged Whitley Penn, LLP to conduct the agreed-upon procedures, following the guidelines of an efficiency audit established by the Legislative Budget Board. The purpose of the procedures is to inform voters about the District’s fiscal management, efficiency, utilization of resources, and whether the District has implemented best practices. The information includes data and tools that the State of Texas currently utilizes to measure school district efficiency.

Some key information about the District:

- The District’s total operating revenue for all funds for fiscal year 2022 totaled \$10,830 per student, while the peer district average and the State average were \$11,898 per student and \$12,504 per student, respectively.
- Over the last five years, the District’s total average operating revenues for all funds totaled \$9,925 per student, while the peer district average and the State average were \$10,354 per student and \$11,045 per student, respectively.
- Over the last five years, the District’s average General Fund operating revenue per student totaled \$8,730, while the peer district average totaled \$8,895 per student.

SECTION II - KEY INFORMATION ABOUT THE DISTRICT (continued)

- The District's total operating expenditures for all funds for fiscal year 2022 totaled \$11,170, while the peer district average and the State average were \$11,586 per student and \$11,943 per student, respectively.
- Over the last five years, the District's average total operating expenditures for all funds totaled \$10,276 per student compared to the peer district average of \$10,274 per student and the State average of \$10,621 per student.
- Over the last five years, the District's average General Fund operating expenditures per student was \$9,117 per student, while its peer districts average was \$8,816 per student.
- The District has earned a Superior Rating ("A") for the School Financial Integrity Rating System of Texas (FIRST) for the last five years.
- The Texas Education Agency reviews and tracks the performance of both school districts and individual schools with the Texas A-F Accountability System. The results are posted year-to-year. The District, as a whole, earned an "B" (89 out of 100 points) in 2021 - 2022. The detail by campus for the 2021 - 2022 accountability rating is shown below:

Grade	# of Campuses
A	26
B	41
C	9
Not Rated	6

Additional details and the results of our procedures are included in Section IV.

SECTION III - OBJECTIVES AND APPROACH

Objectives

The objective of our agreed-upon procedures was to assess the District's fiscal management, efficiency and utilization of resources, and whether the District has implemented best practices utilized by Texas school districts.

Approach

In order to achieve the objectives, set forth above, Whitley Penn, LLP performed the following procedures:

1. Selected 13 peer districts, developed a simple average and used the same comparison group throughout the engagement.
2. Reported on the overall accountability rating (A-to-F and a corresponding scale score of 1 to 100).
3. Compared the District's peer districts' average score and listed the following District's campus information:
 - a. Accountability rating count for each campus level within the District.
 - b. Names of the campuses that received an F accountability rating.
 - c. Campuses that are required to implement a campus turnaround plan.
4. Reported on the District's School FIRST rating. For a rating of less than A, listed the indicators not met.
5. Reported on student characteristics for the District, the peer districts, and the State including:
 - a. Total Students
 - b. Economically Disadvantaged
 - c. English Learners
 - d. Special Education
 - e. Bilingual/ESL Education
 - f. Career and Technical Education
6. Reported on the attendance rate for the District, the peer districts, and the State.
7. Reported on the five-year enrollment for the District for the most recent school year and four (4) years prior, the average annual percentage change based on the previous five years and the projected next school year.
8. Reported on the following indicators related to the District's revenue, the peer district average, and the State average and explained any significant variances.
 - a. Local M&O Tax (Retained) (without debt service and recapture)
 - b. State
 - c. Federal
 - d. Other local and intermediate
 - e. Total revenue
9. Reported on the following indicators related to the District's expenditures, the peer district average, and the State average and explained significant variances from the peer district average, if any. In addition, explained the reasons for the District's expenditures exceeding revenue, if applicable.

a. Instruction	j. Food service operation
b. Instructional resources and media	k. Extracurricular
c. Curriculum and staff development	l. General administration
d. Instructional leadership	m. Plant maintenance and operations
e. School leadership	n. Security and monitoring services
f. Guidance counseling services	o. Data processing services
g. Social work services	p. Community services
h. Health services	q. Total operating expenditures
i. Transportation	

SECTION III - OBJECTIVES AND APPROACH (continued)

10. Reported on the following indicators for payroll and select District salary expenditures compared to the peer district average, and the State average and explained any significant variances from the peer district average in any category.
 - a. Payroll as a percentage of all funds
 - b. Average teacher salary
 - c. Average administrative salary
 - d. Superintendent salary
11. Reported on the General Fund operating fund balance, excluding debt service and capital outlay, for the past five years and per student for the District and the peer districts. Analyzed unassigned fund balance per student and as a percentage of three-month operating expenditures and explained any significant variances.
12. Reported the District's allocation of staff, and student-to-teacher and student-to-total staff ratios for the District, its peer districts and the State average. The following staff categories were used:
 - a. Teaching
 - b. Support
 - c. Administrative
 - d. Paraprofessional
 - e. Auxiliary
 - f. Students per total staff
 - g. Students per teaching staff
13. Reported on the District's teacher turnover rate as well as the peer district average and the State average. Reported on the following programs offered by the District, including the number of students served, percentage of enrolled students served, program budget, program budget as a percentage of the District's budget, total staff for the program, and student-to-staff ratio for the program.
 - a. Special Education
 - b. Bilingual Education
 - c. Migrant Programs
 - d. Gifted and Talented Programs
 - e. Career and Technical Education
 - f. Athletics and Extracurricular Activities
 - g. Alternative Education Program/Disciplinary Alternative Education Program
 - h. Juvenile Justice Alternative Education Program
14. Described how the District maximizes available resources from State sources and regional education service centers to develop or implement programs or deliver services.
15. Report on the District's annual external audit report's independent auditor's opinion as required by *Government Auditing Standards*.
16. Explained the basis of the TEA assigning the District a financial-related monitoring/oversight role during the past three years, if applicable.
17. In regards to the District's budget process, provided a response to each of the following questions:
 - a. Does the District's budget planning process include projections for enrollment and staffing?
 - b. Does the District's budget process include monthly and quarterly reviews to determine the status of annual spending?
 - c. Does the District use cost allocation procedures to determine campus budgets and cost centers?
 - d. Does the District analyze educational costs and student needs to determine campus budgets?
18. Provided a description of the District's self-funded program, if any, and analyzed whether program revenues are sufficient to cover program costs.
19. Reported whether the District administrators are evaluated annually and, if so, explained how the results inform District operations.

SECTION III - OBJECTIVES AND APPROACH (continued)

20. In regards to the District's compensation system, provided a response to the following questions:
 - a. Does the District use salary bonuses or merit pay systems? If yes, explain the performance-based systems and the factors used.
 - b. Do the District's salary ranges include minimum, midpoint, and maximum increments to promote compensation equity based on the employee's education, experience, and other relevant factors?
 - c. Does the District periodically adjust its compensation structure using verifiable salary survey information, benchmarking, and comparable salary data?
 - d. Has the District made any internal equity and/or market adjustments to salaries within the past two years?
21. In regards to planning, provided a response for each of the following questions:
 - a. Does the District develop a District Improvement Plan (DIP) annually?
 - b. Do all campuses in the District develop a Campus Improvement Plan (CIP) annually?
 - c. Does the District have an active and current facilities master plan? If yes, does the District consider these factors to inform the plan:
 - i. Does the District use enrollment projections?
 - ii. Does the District analyze facility capacity?
 - iii. Does the District evaluate facility condition?
 - d. Does the District have an active and current energy management plan?
 - e. Does the District maintain a clearly defined staffing formula for staff in maintenance, custodial, food service, and transportation?
22. In regards to District academic information, we will provide a response for each of the following questions:
 - a. Does the District have a teacher mentoring program?
 - b. Are decisions to adopt new programs or discontinue existing programs made based on quantifiable data and research?
 - c. When adopting new programs, does the District define expected results?
 - d. Does the District analyze student test results at the district and/or campus level to design, implement and/or monitor the use of curriculum and instructional programs?
23. Provided a response to the question if the District modifies programs, plans staff development opportunities, or evaluates staff based on analyses of student test results.

SECTION IV - DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING AND FINANCES, WITH PEER DISTRICTS AND STATE COMPARISONS

1. Peer Districts

The Texas Education Agency's (TEA) Snapshot Peer Search identified a total of 18 peers, including Fort Bend ISD, based on size (50,000 students and over). Using other similar characteristics for tax rate, district type, and Texas Smart Schools, the District selected the thirteen (13) peer districts shown below.

FIGURE 1
PEER DISTRICTS

DISTRICT NAME	COUNTY
Aldine ISD	Harris County
Arlington ISD	Tarrant County
Austin ISD	Travis County
Conroe ISD	Montgomery County
Cypress-Fairbanks ISD	Harris County
Fort Worth ISD	Tarrant County
Frisco ISD	Collin County
Garland ISD	Dallas County
Katy ISD	Harris County
Klein ISD	Harris County
North East ISD	Bexar County
Northside ISD	Bexar County
Pasadena ISD	Harris County

SECTION IV - DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING AND FINANCES, WITH PEER DISTRICTS AND STATE COMPARISONS (continued)

2. Accountability Rating

The Texas Education Agency (TEA) annually assigns an A-to-F rating and a corresponding scaled score (1 to 100) to each district and campus based on student assessment results and other accountability measures. These are the latest accountability ratings released August 2022.

FIGURE 2
ACCOUNTABILITY RATING COMPARISON
2021 - 2022

	DISTRICT RATING (A-F)	DISTRICT SCORE (1-100)	PEER DISTRICT AVERAGE SCORE (1-100)
Rating/Score	B	89	87

There were no campuses with an “F” rating. The results for the District’s 82 campuses are shown below.

FIGURE 3
ACCOUNTABILITY RATING BY CAMPUS LEVEL
2021 - 2022

	ELEMENTARY SCHOOLS	MIDDLE SCHOOLS	HIGH SCHOOLS
A	18	5	3
B	31	6	4
C	4	3	2
Not Rated	2	-	1
Not Rated: SB 1365	-	1	2

Campuses with F Accountability Rating

None

Campuses with Required to Implement a Campus Turnaround Plan

None

To align with Senate Bill 1365, school districts and campuses received an A, B or C rating or were assigned a label of Not Rated: Senate Bill 1365. This Not Rated: Senate Bill 1365 label was applied when the domain or overall scaled score for a district or campus was less than 70. Campuses assigned a label of Not Rated: Senate Bill 1365 were McAuliffe Middle School, Marshall High School, and Willowridge High School.

SECTION IV - DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING AND FINANCES, WITH PEER DISTRICTS AND STATE COMPARISONS (continued)

3. Financial Rating

The State of Texas’ school financial accountability rating system, known as the School Financial Integrity Rating System of Texas (FIRST), ensures that Texas public schools are held accountable for the quality of their financial management practices and that they improve those practices. The system is designed to encourage Texas public schools to better manage their financial resources to provide the maximum allocation possible for direct instructional purposes.

The FIRST rating is based on five (5) critical indicators as well as minimum number of points for an additional ten (10) indicators. Beginning with 2016-2017 Rating (based on the 2015-2016 financial data), the Texas Education Agency moved from a “Pass/Fail” system and began assigning a letter rating. The ratings and corresponding points are shown below:

<u>Rating</u>	<u>Points</u>
A = Superior	90 – 100
B = Above Standard	80 - 89
C = Meets Standards	60 – 79
F = Substandard Achievement	Less than 60

The District’s 2021 - 2022 rating based on school year 2020 - 2021 data was an “A” (Superior). The District also earned a Superior Rating in 2018, 2019, 2020, and 2021.

FIGURE 4
SCHOOL FIRST RATING
2023 Rating (Based on School Year 2021-2022 Data)

<u>DISTRICT RATING (A-F)</u>	
Rating	A

SECTION IV - DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING AND FINANCES, WITH PEER DISTRICTS AND STATE COMPARISONS (continued)

4. Student Characteristics, Attendance, and 5-Year Enrollment

Student Characteristics

Every student is served differently in public schools based on their unique characteristics. Such data is captured by the Texas Education Agency on an annual basis. Figure 5 provides student counts for five (5) select student characteristics, which are described below:

Economically Disadvantaged – This term has an identical meaning to educationally disadvantaged, which is defined by the Texas Education Code (TEC) §5.001(4) as a student who is “eligible to participate in the national free or reduced-price lunch program”.

English Learners – The Texas Education Agency defines an English Learner as a student who is in the process of acquiring English and has another language as the primary language; it is synonymous with English Language Learner (ELL) and Limited English Proficient (LEP).

Special Education – These are students with a disability as defined by Federal regulations (34 CFR§ 300.304 through 300.311), State of Texas Laws (Texas Education Code §29.003) or the Commissioner’s/State Board of Education Rules (§89.1040).

Bilingual/ESL Education – The Texas Education Code §29.055 describes students enrolled in a bilingual education program as those students in a full-time program of dual-language instruction that provides for learning basic skills in the primary language of the students and for carefully structured and sequenced mastery of the English language skills. Students enrolled in an English as a Second Language (ESL) program receive intensive instruction in English from teachers trained in recognizing and dealing with language differences.

Career and Technical Education – Students enrolled in State approved Career and Technology Education programs.

FIGURE 5
SELECTED STUDENT CHARACTERISTICS
2021 - 2022

	TOTAL STUDENT POPULATION COUNT	PERCENTAGE OF STUDENT POPULATION	PEER DISTRICTS AVERAGE PERCENTAGE	STATE AVERAGE PERCENTAGE
Total Students	77,545	100.0%	N/A	N/A
Economically Disadvantaged	37,049	47.8%	58.6%	60.6%
English Learners	14,427	18.6%	24.5%	21.7%
Special Education	8,810	11.4%	11.9%	11.7%
Bilingual/ESL Education	14,039	18.1%	23.8%	21.8%
Career and Technical Education	19,731	25.4%	24.5%	25.8%

SOURCE: Texas Education Agency, Texas Academic Performance Reports

SECTION IV - DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING AND FINANCES, WITH PEER DISTRICTS AND STATE COMPARISONS (continued)

4. Student Characteristics, Attendance, and 5-Year Enrollment (continued)

Student Characteristics (continued)

There are 5.4 million students served by public schools in the State of Texas. Of those students, 3.3 million or 60.6 percent are economically disadvantaged. The percentage of economically disadvantaged students served by the District compared to its total student population totaled 47.8 percent, which is 10.8 percent and 12.8 percent less than the peer district average and the State average, respectively. Aldine Independent School District had the highest economically disadvantaged student percentage of 89.8 percent, while Frisco Independent School District had the lowest economically disadvantaged student percentage of 12.8 percent.

The peer district average total student count was 71,159. Of the peer districts evaluated, Cypress-Fairbanks Independent School District had the highest total student count of 117,217, while Pasadena Independent School District had the lowest student count of 49,326.

Attendance

FIGURE 6			
ATTENDANCE RATE			
2020 - 2021			
	DISTRICT TOTAL	PEER DISTRICTS AVERAGE	STATE AVERAGE
Attendance Rate	96.3%	95.2%	95.0%

SOURCE: Texas Education Agency, Public Education Information Management System District Attendance, Graduation, and Dropout Rates Reports

A school district’s State Funding is a complex calculation with many inputs. One of the primary drivers used in the calculation is student attendance. The District’s attendance rate is 1.1 percent and 1.3 percent greater than the peer district average and the state average, respectively. It should be noted that the District's 2020-2021 attendance rate of 96.3 percent has decreased by 2.3 percent from the 2019-2020 attendance rate of 98.6 percent. The District’s attendance rate for the 2021 - 2022 is currently unavailable.

SECTION IV - DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING AND FINANCES, WITH PEER DISTRICTS AND STATE COMPARISONS (continued)

4. Student Characteristics, Attendance, and 5-Year Enrollment (continued)

Five-Year Enrollment

The attendance rate should be evaluated in conjunction with the number of students enrolled. As shown in Figure 7, the District has experienced an average annual increase over the last five years of 1.02 percent. The increase in enrollment from 2022 to 2023 is 2.73 percent.

FIGURE 7
5-YEAR ENROLLMENT
2018 - 2022

	ENROLLMENT	% CHANGE
2022	77,545	1.06%
2021	76,735	-1.31%
2020	77,756	2.58%
2019	75,797	1.12%
2018	74,957	1.64%
Average annual percentage change based on the previous five years		1.02%
2023 (1)	79,660	2.73%
Average annual percentage change based on the previous five years and 2023		1.30%

Note (1) Based on fiscal year 2023 PEIMS Data Submission

SECTION IV - DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING AND FINANCES, WITH PEER DISTRICTS AND STATE COMPARISONS (continued)

5. District Revenue

**FIGURE 8
DISTRICT TAX REVENUE
2021-2022**

	DISTRICT		PEER DISTRICT AVERAGE		STATE AVERAGE	
	REVENUE PER STUDENT	PERCENTAGE OF TOTAL	REVENUE PER STUDENT	PERCENTAGE OF TOTAL	REVENUE PER STUDENT	PERCENTAGE OF TOTAL
Local M&O Tax (Retained) (1)	\$ 5,588	51.6%	\$ 5,635	47.4%	\$ 4,960	39.7%
State (2)	3,088	28.5%	3,424	28.8%	4,516	36.1%
Federal	1,942	17.9%	2,522	21.2%	2,611	20.9%
Other Local and Intermediate	212	2.0%	317	2.7%	417	3.3%
Total Revenue	\$ 10,830	100.0%	\$ 11,898	100.0%	\$ 12,504	100.0%

Note: (1) Excludes recapture
(2) Excludes TRS on-behalf revenue

SOURCE: Texas Education Agency, Public Education Information Management System District Financial Actual Reports

The financial data above includes all funds, except for the District's capital projects fund and debt service fund. Approximately \$36.2 million of the Teacher Retirement System (TRS) contributions made by the State of Texas on-behalf of the District were excluded from the State revenue total. In accordance with Governmental Accounting Standards Board, on-behalf contributions must be recorded as both revenues and expenditures. However, the source reports used for this analysis includes on-behalf expenditures but not on-behalf revenues. The on-behalf contributions of \$36.2 million equate to \$474 per student.

In 2022, the District recognized \$1,068 and \$1,674 less revenue per student compared to the peer district average and the State average, respectively.

SECTION IV - DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING AND FINANCES, WITH PEER DISTRICTS AND STATE COMPARISONS (continued)

6. District Expenditures

FIGURE 9
DISTRICT ACTUAL OPERATING EXPENDITURES
2021-2022

	DISTRICT		PEER DISTRICT AVERAGE		STATE AVERAGE	
	EXPENDITURES PER STUDENT	PERCENTAGE OF TOTAL	EXPENDITURES PER STUDENT	PERCENTAGE OF TOTAL	EXPENDITURES PER STUDENT	PERCENTAGE OF TOTAL
Instruction	\$ 6,330	56.7%	\$ 6,687	57.7%	\$ 6,671	55.9%
Instructional Resources and Media	116	1.0%	124	1.1%	120	1.0%
Curriculum and Staff Development	296	2.6%	330	2.8%	291	2.4%
Instructional Leadership	269	2.4%	188	1.6%	206	1.7%
School Leadership	678	6.1%	658	5.7%	688	5.8%
Guidance Counseling Services	543	4.9%	523	4.5%	468	3.9%
Social Work Services	40	0.4%	45	0.4%	43	0.4%
Health Services	176	1.6%	133	1.1%	139	1.2%
Transportation	323	2.9%	368	3.2%	353	3.0%
Food Service Operation	418	3.7%	537	4.6%	598	5.0%
Extracurricular	302	2.7%	278	2.4%	355	3.0%
General Administration	256	2.3%	250	2.2%	393	3.3%
Plant Maintenance and Operations	982	8.8%	983	8.5%	1,177	9.9%
Security and Monitoring Services	139	1.2%	133	1.1%	131	1.1%
Data Processing Services	276	2.5%	283	2.4%	246	2.1%
Community Services	26	0.2%	66	0.6%	60	0.5%
Fund Raising (Charter Schools only)	-	0.0%	-	0.0%	4	0.0%
Total Operating Expenditures	\$ 11,170	100%	\$ 11,586	100%	\$ 11,943	100%

Note: (1) Includes TRS on-behalf expenditures

SOURCE: Texas Education Agency, Public Education Information Management System District Financial Actual Reports

Capital outlay, debt service payments and other intergovernmental expenditures are not considered operating expenditures.

In 2022, the District expended \$416 and \$773 less per student compared to the peer district average and the State average, respectively.

SECTION IV - DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING AND FINANCES, WITH PEER DISTRICTS AND STATE COMPARISONS (continued)

7. District Payroll Expenditures Summary

FIGURE 10
PAYROLL EXPENDITURE SUMMARY
2021-2022

	DISTRICT	PEER DISTRICT AVERAGE	STATE AVERAGE
	<hr/>	<hr/>	<hr/>
Payroll as a Percentage of All Funds	84.7%	82.5%	78.0%
Average Teacher Salary	\$ 65,212	\$ 62,081	\$ 58,887
Average Administrative Salary	\$ 124,120	\$ 110,845	\$ 98,894
Superintendent Salary	\$ 370,000	\$ 403,582	\$ 159,385

SOURCE: Texas Education Agency, Public Education Information Management System
District Financial Actual Reports

The District spends more on payroll costs than its peer districts average and the State average. Also, the District, on average, spends more per teacher than the peer district average and the State average. However, teacher salary is based on years of experience and a district's adopted salary schedule. The District's starting pay rate for teachers of \$59,500 is \$843 less than the peer district average starting pay rate for teachers of \$60,343.

The average administrative salary is greater than the two comparison groups. The Superintendent's salary is less than its peer district average but greater than the State average. It is important to note that the data for the State average is comprised of school districts across the State with enrollments ranging from 24 to 194,607 students.

SECTION IV - DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING AND FINANCES, WITH PEER DISTRICTS AND STATE COMPARISONS (continued)

8. Fund Balance

**FIGURE 11
GENERAL FUND BALANCE
2018 - 2022**

YEAR	DISTRICT			PEER DISTRICT AVERAGE (1)		
	GENERAL FUND UNASSIGNED FUND BALANCE PER STUDENT	GENERAL FUND UNASSIGNED FUND BALANCE AS A PERCENTAGE OF OPERATING EXPENDITURES	GENERAL FUND UNASSIGNED FUND BALANCE AS A PERCENTAGE OF 3- MONTH OPERATING EXPENDITURES	GENERAL FUND UNASSIGNED FUND BALANCE PER STUDENT	GENERAL FUND UNASSIGNED FUND BALANCE AS A PERCENTAGE OF OPERATING EXPENDITURES	GENERAL FUND UNASSIGNED FUND BALANCE AS A PERCENTAGE OF 3- MONTH OPERATING EXPENDITURES
2022	\$ 1,825	18.9%	75.4%	\$ 3,363	35.2%	140.7%
2021	1,280	13.2%	52.6%	3,090	32.9%	131.6%
2020	1,714	18.8%	75.3%	2,939	33.4%	133.5%
2019	1,938	22.5%	90.1%	2,711	32.7%	130.7%
2018	1,596	18.8%	75.3%	2,389	29.4%	117.8%

SOURCE: Texas Education Agency, Public Education Information Management System District Financial Actual Reports

The General Fund is the operating fund in a governmental entity. Fund balance represents the current resources/assets available to the government less any current obligations/liabilities. Within fund balance there are five (5) categories: non-spendable, restricted, committed, assigned and unassigned. The categories are described below.

- Non-spendable fund balance cannot be spent because it is either (a) not in a spendable form, such as inventory or (b) legally or contractually required to be maintained intact.
- Restricted fund balance is net resources that are restricted as to use by an external party, such as a federal grantor.
- Committed fund balance is set aside for a specific purpose as resolved by the Board of Trustees.
- Assigned fund balance is fund balance that has been set aside by management for a specific purpose.
- Unassigned fund balance is the remaining amount that is not restricted, committed, or assigned for a specific purpose.

SECTION IV - DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING AND FINANCES, WITH PEER DISTRICTS AND STATE COMPARISONS (continued)

8. Fund Balance (continued)

The Texas Education Agency evaluates unassigned fund balance by comparing it to three-months (25%) of annual operating expenditures. If the District does not meet goal of three-months, the percentage is shown as less than 100%. Amounts that exceed three (3) months are reflected as percentage greater than 100%. The District did not meet the three-month average goal. The table below shows the amount by which the District did or did not meet the three-month goal.

DISTRICT					
YEAR	GENERAL FUND UNASSIGNED FUND BALANCE (ACTUAL)	GENERAL FUND UNASSIGNED FUND BALANCE 3-MONTH GOAL	DIFFERENCE BETWEEN ACTUAL UNASSIGNED FUND BALANCE AND THREE-MONTH GOAL (\$)	DIFFERENCE BETWEEN ACTUAL UNASSIGNED FUND BALANCE AND THREE-MONTH GOAL (%)	
2022	\$ 139,688,488	\$ 185,175,387	\$ (45,486,899)	-24.6%	
2021	97,851,609	186,003,300	(88,151,691)	-47.4%	
2020	132,929,810	176,611,745	(43,681,935)	-24.7%	
2019	146,857,818	162,946,912	(16,089,094)	-9.9%	
2018	119,602,407	158,743,548	(39,141,141)	-24.7%	

The District's unassigned fund balance as of June 30, 2022 totaled \$139.7 million and General Fund operating expenditures for the year ended June 30, 2022 totaled \$801.8 million. Three months average operating expenditures would equate to \$185.2 million, which is \$45.5 million (or 24.6 percent) more than the District's actual unassigned fund balance. It is important to note that the District has a fiscal strategy in which it strives to maintain 60 days of operating expenditures in unassigned fund balance and another 30 days in committed fund balance. The fiscal year 2022 General Fund committed fund balance totaled \$61.6 million for potential loss of state revenue. The next page reflects the committed fund balance for potential loss of state revenue for the last five years.

SECTION IV - DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING AND FINANCES, WITH PEER DISTRICTS AND STATE COMPARISONS (continued)

8. Fund Balance (continued)

In fiscal years 2018 through 2022, the District committed a portion of its fund balance in adherence to its fiscal strategy to maintain 30 days of operating expenditures in committed fund balance.

Fiscal Year	Committed Fund Balance (in millions)
2018	\$72.7
2019	\$84.8
2020	\$60.6
2021	\$62.5
2022	\$61.6

In reviewing the District's 2022 annual comprehensive financial report, the General Fund reflected a total of \$61.6 million in committed fund balance. The Board of Trustees may pass a resolution to remove the fund balance commitments at any time during the fiscal year should the District have a need for the committed funds. It should be noted that unassigned fund balance should be used for one-time expenditures or for emergencies related to an unforeseen event. However, fund balance should not be relied upon for on-going operational expenditures.

SECTION IV - DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING AND FINANCES, WITH PEER DISTRICTS AND STATE COMPARISONS (continued)

9. District Staffing Levels

FIGURE 12
STAFF RATIO COMPARISON
2021 - 2022

	DISTRICT	PEER DISTRICT AVERAGE	STATE AVERAGE
Teaching Staff (Percentage of Total Staff)	48.1%	50.0%	49.3%
Support Staff (Percentage of Total Staff)	12.8%	11.9%	10.7%
Administrative Staff (Percentage of Total Staff)	2.9%	3.3%	4.1%
Paraprofessional Staff (Percentage of Total Staff)	10.0%	9.7%	11.1%
Auxiliary Staff (Percentage of Total Staff)	26.2%	25.1%	24.8%
Students Per Total Staff	7.5	7.4	7.2
Students Per Teaching Staff	15.3	14.7	14.6

SOURCE: Texas Education Agency, Public Education Information Management System District Staff Information Reports

The District's total staff for 2022 was 10,393, a decrease of 275 from the prior year. The peer district average total staff for 2022 was 9,569. The District's students per total staff ratio is 0.1 and 0.3 greater than the peer district average and the State average, respectively. The District's students per teaching staff ratio is 0.6 and 0.7 greater than the peer district average and the State average, respectively.

10. Teacher Turnover Rates

FIGURE 13
TEACHER TURNOVER RATES
2021 - 2022

	DISTRICT TURNOVER RATE	AVERAGE PEER DISTRICT TURNOVER RATE	STATE TURNOVER RATE
Teachers	16.0%	15.7%	17.7%

SOURCE: Texas Education Agency, Public Education Information Management System District Staff Information Reports

The District's turnover rate increased from 12.8 percent in the prior year to 16.0 percent. While the District's turnover rate is 0.3 percent greater than the peer district average, it is 1.7 percent less than the State average. The highest turnover rate within the peer districts was 19.9 percent while the lowest turnover rate was 12.9 percent.

SECTION IV - DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING AND FINANCES, WITH PEER DISTRICTS AND STATE COMPARISONS (continued)

11. Special Programs

FIGURE 14
SPECIAL PROGRAMS CHARACTERISTICS
2021 - 2022

	NUMBER OF STUDENTS SERVED	PERCENTAGE OF ENROLLED STUDENT SERVED	PROGRAM BUDGET PER STUDENTS SERVED (1)	PROGRAM BUDGET AS A PERCENTAGE OF DISTRICT BUDGET (1)	TOTAL STAFF FOR PROGRAM	STUDENTS PER TOTAL STAFF FOR PROGRAM
Total Students	77,545	100.0%	\$9,763	N/A	-	N/A
Special Education	8,810	11.4%	\$14,543	16.9%	479	18
Bilingual/ESL Education	14,039	18.1%	\$1,113	2.1%	227	62
Migrant Programs	2	N/A	N/A	N/A	-	-
Gifted and Talented Programs	4,987	6.4%	\$2,755	1.8%	29	170
Career and Technical Education (1)	19,731	25.4%	\$1,299	3.4%	171	115
Athletics and Extracurricular Activities (1)	15,716	20.3%	\$653	1.4%	41	383
Alternative Education Program/Disciplinary Alternative Education Program (1)	10	N/A	\$37,200	N/A	58	-
Juvenile Justice Alternative Education Program (1)	13	N/A	\$2,582	N/A	6	2

Note:

(1) Amounts provided by Fort Bend ISD

SECTION V - ADDITIONAL FINANCIAL, OPERATIONAL, AND ACADEMIC INFORMATION

1. State and Regional Resources

The District continuously explores all options for funding, including state and federal sources and local grant sources. The District has a Funds Development Department which seeks out and researches potential grants that may be beneficial for the District. The Department provides assistance in obtaining external funding for educational programs of distinction which prepare students for academic achievement and graduation. Sources of grants vary widely from State or Federal sources to local options. All funding, state, local or federal, is tied directly to the District Strategic Plan and student performance.

2. Reporting

For the year ended June 30, 2022, Whitley Penn, LLP expressed an unmodified opinion on the financial statements. There are three possible opinions: unmodified, modified (e.g. scope limitation or departure from generally accepted accounting principles: or a disclaimer of an opinion. An unmodified opinion is considered a clean opinion.

3. Oversight

Not Applicable

4. Budget Process

FIGURE 15 BUDGET PROCESS		
QUESTION	YES/NO	NOT APPLICABLE
Does the District’s budget planning process include projections for enrollment and staffing?	Yes	
Does the District’s budget process include monthly and quarterly reviews to determine the status of annual spending?	Yes	
Does the District use cost allocation procedures to determine campus budgets and cost centers?	Yes	
Does the District analyze educational costs and student needs to determine campus budgets?	Yes	

5. Self-funded Programs

The District’s self-funded programs for health insurance, workers’ compensation, and unemployment insurance are accounted for and reported in the District’s internal service funds. At June 30, 2022, the health insurance fund, the workers’ compensation fund, and the unemployment insurance fund reported net position of \$(1.3) million, \$(0.4) million, and \$0.5 million, respectively, which was a change in net position from the prior fiscal year of \$(7.9) million, \$(0.6) million, and \$1.0 million, respectively.

SECTION V - ADDITIONAL FINANCIAL, OPERATIONAL, AND ACADEMIC INFORMATION (continued)

6. Staffing

All District administrators are evaluated annually. Evaluations help to ensure that highly qualified and effective administrators lead campuses and departments to successfully develop and implement the District’s Strategic Plan and focus on student achievement.

7. Compensation System

FIGURE 16 COMPENSATION SYSTEM		
QUESTION	YES/NO	NOT APPLICABLE
Does the District use salary bonuses or merit pay systems?	No	
Do the District’s salary ranges include minimum, midpoint, and maximum increments to promote compensation equity based on the employee’s education, experience, and other relevant factors?	Yes	
Does the District periodically adjust its compensation structure using verifiable salary survey information, benchmarking, and comparable salary data?	Yes	
Has the District made any internal equity and/or market adjustments to salaries within the past two years?	Yes	

SECTION V - ADDITIONAL FINANCIAL, OPERATIONAL, AND ACADEMIC INFORMATION (continued)

8. Planning

FIGURE 17 OPERATIONAL INFORMATION		
QUESTION	YES/NO	NOT APPLICABLE
Does the District develop a District Improvement Plan (DIP) annually?	Yes	
Do all campuses in the District develop a Campus Improvement Plan (CIP) annually?	Yes	
Does the District have an active and current facilities master plan? If yes, does the District consider these factors to inform the plan:	Yes	
Does the District use enrollment projections?	Yes	
Does the District analyze facility capacity?	Yes	
Does the District evaluate facility condition?	Yes	
Does the District have an active and current energy management plan?	Yes	
Does the District maintain a clearly defined staffing formula for staff in maintenance, custodial, food service, and transportation?	Yes	

SECTION V - ADDITIONAL FINANCIAL, OPERATIONAL, AND ACADEMIC INFORMATION (continued)

9. Programs

FIGURE 18		
ACADEMIC INFORMATION		
QUESTION	YES/NO	NOT APPLICABLE
Does the District have a teacher mentoring program?	Yes	
Are decisions to adopt new programs or discontinue existing programs made based on quantifiable data and research?	Yes	
When adopting new programs, does the District define expected results?	Yes	
Does the District analyze student test results at the District and/or campus level to design, implement and/or monitor the use of curriculum and instructional programs?	Yes	
Does the District modify programs, plan staff development opportunities, or evaluate staff based on analyses of student test results?	Yes	